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ABSTRACT

The pamphlet provides information for parents of retarded persons about coverage, payment methods and types of medical insurance (including group, non-group and Medicaid plans). Also included are tips for keeping down medical costs. (CL)

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*Someday I may want
to know about....*

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Paying for Medical Care

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A MCARC INFORMATION SHEET

prepared by Joan Karasik, Chairman
Family Resource Committee
for MCARC Family and Community Services
949-8140

One in a series on subjects of interest to parents
and others concerned with the well-being of
mentally retarded children and adults.

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PAYING FOR MEDICAL CARE

How do families pay for medical care?

Relatively few people can count on paying all medical bills as they arrive; just a few days in the hospital may run into many hundreds of dollars. If a member of the family has a handicapping condition involving special health problems, medical bills can soon become overwhelming.

Probably most families in Montgomery County rely on the group health insurance plans that they can join where they work. Self-employed or non-working persons must buy individual or non-group insurance plans, if they can afford it. Lower income families may qualify for Medicaid, as do handicapped persons receiving SSI benefits. Older people can enroll in Medicare.

No plan will pay all medical costs. Certainly, in buying medical insurance, one does not want to pay for 100% coverage--that would be unnecessarily expensive. So let us look at some different ways of paying medical bills and a few ways of keeping down medical costs.

SOME GUIDELINES FOR THINKING THROUGH THE COVERAGE NEEDED

Look for:

1) Protection. Fundamentally, protection against heavy and unanticipated medical expenses is needed.

A) Basic Benefits. Minimum basic benefits should cover ordinary hospitalization and surgical or medical care, up to several weeks duration at least. Insurance should also cover emergency outpatient treatment and may cover diagnostic tests and medical treatment in the doctor's office.

B) "Major Medical" or Extended Coverage. A family also needs protection against major or catastrophic illness or accident expenses. Major medical or extended coverage starts where the basic coverage ends, usually paying 75-80% of costs for lengthy hospitalization, private duty nursing, medications, appliances and equipment, outpatient treatment, psychiatric treatment, etc.

The combination of basic and extended coverage is often called "comprehensive medical insurance".

2) Complete Family Coverage. Protection for the whole family should include all dependent children. Applicants will want to be sure that a handicapped child who is incapable of self-support will continue to be covered after reaching the age of 19 (when most normal children are usually dropped by the company).

3) Minimum Waiting Periods and Few Exclusions. Insurance should be checked for minimum waiting periods for coverage of pre-existing conditions and for permanent exclusion of pre-existing conditions that may cause heavy medical expenses. Both should be avoided.

4) Adequate Benefits. A realistic schedule of payments for hospital and surgical services and definitions that actually cover necessary expenses should be required of health insurance. For example, a contract should pay for "a semi-private room" in the hospital, not merely specify \$25 or \$35 a day, which will not nearly cover costs.

5) Coverage in Areas Away From Home.

Be careful of:

1) Too Much Coverage. Types of coverage usually excluded, and for valid reasons, include routine checkups, dental care, eye glasses, hearing aids, podiatry, cosmetic surgery, speech therapy, vocational rehabilitation, and long-term nursing care. These are either extremely costly (like long-term care which would make premiums prohibitively expensive), not properly medical (like cosmetic surgery), or regular and predictable (like checkups) which families should plan for as part of their annual expenses.

2) Cash Sickness Benefit Plans. These plans pay a certain fixed amount, usually \$10 to \$25 a day, to the insured person while in the hospital or confined at home. At current price levels, such a plan has little value in meeting medical expenses and would be only a slight cushion against loss of income. The cost of such insurance should be considered very carefully, especially in the case of plans sold through newspaper ads and direct mail advertising.

3) Mail-order Medical Insurance. The full-cover ads may look tempting, but buying medical insurance through an employer or from a reputable local agent or a widely-known plan has many advantages when it comes time to collect on a claim.

GROUP MEDICAL INSURANCE

Group plans are usually based on an employee group: one can get insurance along with the job. These group insurance plans are negotiated between the employer and the insurance company; they vary depending upon group size, employer contributions, occupational risks, union contract provisions, and other factors. They usually include both basic and major medical coverage--that is, they give "comprehensive coverage". Several good plans are available to government employees. Some private employers may offer an insurance scheme of particular interest to families with a handicapped child and the prospect of heavy medical bills.

The big advantage in group insurance is that the whole family is covered without any questions about previous illnesses or pre-existing handicapping conditions. Furthermore, in most plans, a handicapped child who is incapable of self-support will continue to be covered after reaching the age of 19. (Families should check this with their insurance companies.)

If an insured person changes jobs, he or she should be sure to inquire about the possibility of converting group insurance to non-group insurance with the same coverage--that is, without restrictions on pre-existing conditions or disabilities.

Not to be confused with true group insurance plans are the so-called "group" insurance plans which are advertised as designed for a special group: retired school teachers or lodge members, for example. These "group" plans usually provide for exclusion of pre-existing conditions, even when they do not demand a medical examination. And they may prove even more expensive than a good non-group plan if the group covered includes many older persons who are relatively poor health risks.

NON-GROUP MEDICAL INSURANCE

Self-employed or non-working persons may have to buy non-group insurance. The non-group plan has many disadvantages, especially for a family with a handicapped member: 1) It will certainly be more expensive than a good group plan. 2) The contract will probably provide a waiting period before pre-existing illnesses or disabilities will be covered, and it will probably exclude permanently coverage for a pre-existing condition or a condition for which an individual is considered a poor risk (for example, a Down's Syndrome child may be excluded from coverage for congenital cardiac disability). 3) The insurance may not cover major medical expenses for long-term or costly illness, psychiatric care, obstetrical care or care given outside a hospital.

In the National Capital area, the Blue Cross/Blue Shield plans probably offer the best non-group insurance. They currently cost \$564 to \$720 per year for family coverage, depending upon the options selected. However, these non-group options do not include obstetrical or major medical benefits. Families buying this non-group insurance would be advised to get supplemental major medical coverage from a private company. The plans provide a ten month waiting period for coverage of any pre-existing conditions; a pre-existing condition may be permanently excluded by an amendment to the contract, and a handicapped child will only continue coverage after age 19 if born during the term of the family contract. Nevertheless, the Blue Cross/Blue Shield non-group plans offer good basic medical coverage and are worth investigation by any family which does not qualify for other medical aid.

For major medical coverage, one must shop around among the many private insurance companies. In 1974, Aetna Life and Casualty was the only company reported by a National Association for Retarded Citizens survey as willing to provide major medical coverage for retarded persons.

Also note that Medicaid (see below) will pay for most medical expenses, including major expenses, for handicapped persons, children as well as adults, who can qualify for the SSI program. Children under the age of 21 are also helped with treatment plans and care through most Crippled Children's programs (see "Children's Consultation Clinics" below).

In addition, good opportunities for insurance may appear on occasion. During 1974, for a limited time, the Maryland Blue Cross/Blue Shield offered a non-group plan with most of the advantages of a group plan, including major medical and no limitations for pre-existing medical problems. Families should watch for opportunities like this!

GROUP MEDICAL SERVICES

A health maintenance organization (HMO) is an organization, usually non-profit, to which members pay a flat annual fee for the medical services of a group of physicians.

Group Health Association, Inc., one of the oldest such plans, has served the Washington area since the 1930's. Families receive full medical care from GHA physicians, including preventive services (immunizations, checkups and well-baby care), but excluding dental care, long-term institutional care, and some non-essential medical services of the types excluded from most other insurance plans. There is limited coverage for prescribed drugs. GHA contracts are open both to federal employees and under a number of labor-management contracts. Non-group members can join at an annual family cost ranging from about \$650 to \$950 per year, depending upon the option chosen. Under an individual contract, however, pre-existing and high-risk conditions may be excluded. GHA has a Health Center in Rockville (6111 Executive Boulevard) and uses various area hospitals. Dental care is available to members at relatively low fees at the GHA Wisconsin Avenue Dental Center, 5225 Wisconsin Avenue, Chevy Chase, D.C. For information, call Group Health Association (872-7440).

University Affiliated Health Plans, Inc., also offers complete medical service, stressing preventive health care and early detection. Membership is available through federal and other group health plans. No non-group members are accepted. A medical center is located in Kensington. For more information, call University Affiliated Health Plans (244-1537).

MEDICAID

Medicaid, the Maryland Medical Assistance Program will pay most of the medical costs for people who cannot afford adequate health care. (Medicaid is not the same as Medicare, which is the Federal medical insurance for persons 65 and older.)

To be eligible for Medicaid, a person must be 1) receiving public assistance, or 2) receiving less than a minimum monthly income and owning little available property, or 3) receiving more than the minimum income but having extraordinarily high medical expenses. Medicaid will pay for doctor's care, hospital care, dental care, nursing, clinic visits, drugs and medicines, X-ray and lab services, family planning, and many other health services. For more information on eligibility, call the Montgomery County Health Department (279-1636).

Handicapped persons receiving Supplementary Security Income (SSI) in Maryland receive a Medicaid card entitling them to all Medicaid services. For this reason, it can be worthwhile applying for SSI, even if the handicapped person is eligible for only a minimal SSI cash payment. Any disabled adult may be eligible for SSI! Many disabled children may also be eligible, but in the case of children, the parents' income is a deciding factor; and if it is too high, it will exclude the child from eligibility until he or she reaches adulthood. In the case of disabled adults, the parents' income is not a determining factor; only the disabled individual's income would count in determining eligibility.

For information on SSI, call the Social Security Administration office nearest your home. (Although SSI is handled through social security offices, it is an entirely separate program. It is possible for a disabled person to receive both social security benefits and Supplemental Security Income. It is also possible for a disabled person to receive only Supplemental Security Income, or only Social Security benefits.)

TIPS FOR KEEPING DOWN MEDICAL COSTS

School Health Services. One job of the school nurse is to see that all pupils obtain needed health care. If your child needs treatment or appliances, you may wish to talk with the school nurse. She may be able to help solve the problem; if not, she may ask the help of the school medical advisor who can consult by evaluating your child and discussing the needs with you and your family physician.

NEL Service for Prescription Drugs. Medicines can be an expensive budget item when daily doses must be taken for epilepsy or some other chronic condition. The National Epilepsy League has a mail-order pharmacy service which can fill your doctor's prescription for anticonvulsant and related drugs at substantially lower cost than a local pharmacy. For information, write NEL Service, 116 S. Michigan Avenue, Chicago, Illinois 60603.

Children's Consultation Clinics. These Montgomery County Health Department specialty clinics offer consultation and care planning for patients up to age 21 with handicapping conditions or potentially handicapping conditions, including cardiac, hearing, vision, orthopedic, cerebral palsy, speech, seizure, neurology, plastic surgery, adolescent's and children's behavior problems.

The clinics accept children regardless of family income. Diagnosis and evaluation are provided without charge. Treatment may be provided at the clinic, or the patient may be referred to a private physician. Reports are provided to your private doctor. Treatment fees are scaled according to family income. For information, call the clinic office (279-1627). This is the local unit of the State Crippled Children's program, funded partly by the U. S. Department of Health, Education, and Welfare.

Income Tax Deductions. Some medical expenses, including doctors, hospital and medicine bills not covered by insurance, may be eligible for deduction from one's income tax. Other deductible items include: speech therapy, special education expenses, transportation related to treatment services, practical nurse care, and remedial tutoring. Be sure to keep copies of all medical bills and receipts, or canceled checks, to use as documentation for income tax deductions. For further details, see the MCARC Income Tax Guide, available from MCARC Family and Community Services (949-8140).

Buy Drugs By Generic, Rather Than Trade, Name. When different drug companies manufacture the same drug, their prices may vary considerably. In the state of Maryland, druggists can dispense only what the doctor prescribes. You can save money by asking your doctor for prescriptions indicating the generic (chemical) name of a medicine, rather than its trade name. Indicate to the druggist dispensing the prescription your wish for the least expensive generic equivalent he has on hand.